



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
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BETTY T. YEE  
First District, San Francisco

SEN. GEORGE RUNNER (RET.)  
Second District, Lancaster

MICHELLE STEEL  
Third District, Orange County

JEROME E. HORTON  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

CYNTHIA BRIDGES  
Executive Director

STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento

PRELIMINARY RECORD OF BOARD ACTIONS

Wednesday, November 19, 2014

The following is a preliminary record of Board actions taken at the November 19, 2014, Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Claudia Madrigal at 916-322-1931 or e-mail: [Claudia.Madrigal@boe.ca.gov](mailto:Claudia.Madrigal@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed..

**Board Committee Meeting**—Please see Page 11, O., Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

**Board Meeting**

A. Homeowner and Renter Property Tax Assistance Appeals Hearings  
There are no items for this matter.

**B. Corporate Franchise and Personal Income Tax Appeals Hearings**

B1. Rudolph Buriani and Norma Jean Buriani, 668146

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**B2. Clovus M. Sykes, 790625**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
The Board imposed a \$5,000.00 frivolous appeal penalty.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**C. Sales and Use Tax Appeals Hearings**~~G1. Capital City Restaurants, Inc., 522640 (KH)~~~~G2. Rodolfo Dagoberto Carranza, 623951 (BH)~~

C3. Pritpal S. Walia, 609568 (CH) –Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C4a. Jagjit Singh Bhandal, 534239 (KH)~~

C4b. Jagjit Singh Bhandal, 535643 (KH) –Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
Approved staff recommendation.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**D. Special Taxes Appeals Hearing**

D1. E. M. Fransis Enterprises, Inc., 588145 (STF)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
Approved staff's revised recommendation.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

E. Property Tax Appeals Hearings

F. Public Hearings

**G. Tax Program Nonappearance Matters – Consent****G1. Legal Appeals Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notice Sent – No Response
  1. Almekdad Nasser Ahmed Alharbi and Fatima E. Abdalla, 578943 (CH)
  - 2a. Vernon Hickman, 626555 (STF)
  - 2b. Vernon Hickman, 626556 (STF)
  3. Kiosko, Inc., 538748 (OH)
- Hearing Notice Sent – Appearance Waived
  4. Mariscos Linda, Inc., 528349 (AA)
- Petitions for Release of Seized Property
  5. Folsom Discount Food & Liquor, Inc., 798658 (STF)
  6. GPS Enterprise, Inc., 825127 (STF)
  7. Neszhao Consulting Company, LLC, 826590 (STF)
  8. Tareq Ziad Alrehani, 842769 (STF)
- Petitions for Rehearing
  9. GEO G2 Solutions, Inc., 563641 (UT)
  10. R & G Schatz Farms, Inc., 547724, 588579 (KH)
  11. Gurenderjeet Singh Sandhu, 515741 (KH)

**G2. Franchise and Income Tax Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.  No final determination on sub-items 14, 16 and 26.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notice Sent – No Response
  1. Marie B. Batta, 766498
- Decisions
  2. Donald E. Bloom, 745188
  3. Justin Calvin, 728341
  4. Staci A. Campbell, 594124
  5. Shirley Carter, 636517
  6. The Chatsworth Company, 727158
  7. Joy A. Clark, 739059
  8. Robert D. Cook, Jr., 694990

UNOFFICIAL

9. George P. Gallegos, 538621
10. Joseph R. Gerardo, 758167
11. Juan M. Gonzalez, 740764
12. Jay A. Greek, 773291
13. Guy Hamilton, 758168
14. ~~Christopher Henningfeld and Christine Henningfeld, 735174~~
15. Allen B. Jacobs, 732679
16. ~~Sherri Jones, 756292~~
17. K & T Properties General Partnership, 733449
18. Jessie Y. Lee, 721067
19. Jose Mendez, 759227
20. James D. Morgan, 762099
21. Trang D. Nguyen, 764995
22. Linda T. Noble, 790059
23. Barry L. Nudelman, 766821
- 24a. Noel Pena, 610952
- 24b. Godofredo B. Abuyo, 611581
- 24c. Francisco B. Tacliad, Jr., 611699
- 24d. Ernie Alayon and Roselle Alayon, 612714
- 24e. Joel Malit, 620788
- 24f. Edward Conroy, 624143
- 24g. Eduardo U. Garcia, 624575
- 24h. Dennis W. Santana, 624643
- 24i. Ulysses B. Jacob and Lourn P. Jacob, 668187
25. Jonathan D. Schultz, 609652
26. ~~Mark S. Shepherd, 789649~~
27. John L. Sommer, 702798
28. Woping Tam and YimYung Chiu, 710829
29. Marian Toma, 772611
30. Michael Tran, 788386
31. Christopher Treble and Estate of Nancy Treble (Dec'd), 736153
32. Roger P. Vititow and Janice Vititow, 724814
33. Wayne T. Wefel and Christeta A. Wefel, 606169, 610528
34. Charles F. Weymann and Janet S. Weymann, 756300
35. Joseph A. Zawacki, 741888

G3. Homeowner and Renter Property Tax Assistance Matters  
There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Redeterminations
  1. E Trade Financial Corp. Services, Inc., 724858 (OH)
  2. Sy Katz, 478354 (AP)
  3. Kevin Heaton Whalen, 733799 (CH)
  4. Horizon Distributors, Inc., 620767 (OH)
  5. Stryker Sales Corporation, 523716 (OH)
  6. J-2 Gourmet Kitchen, Inc., 556697 (AP)
- Relief of Penalty/Interest
  7. Restoration Hardware, Inc., 842477 (JH)
  8. Pier 1 Imports U.S. Inc., 842476 (OH)
  9. Sunpower Corporation, Systems, 842478 (CH)
- Denials of Claims for Refund
  10. Taco Bell, 765475 (OH)
  11. Gateway One Lending & Finance, LLC, 606705 (EA)
  12. Gateway One Lending & Finance, LLC, 628385 (EA)
- Grant One-Day Interest Relief
  13. United Irish Cultural Center, 842480 (BH)
  14. Taft Auto Group, Inc., 842479 (DF)
  15. Doppelmayr USA, Inc., 842482 (OH)
  16. Joann.com, LLC, 842481 (OH)

#### G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-item 10

- Credits and Cancellations
  1. SSS Clothing, Inc., 842438 (AS)
  2. Ward P. Warren, 781387 (AP)
- Refunds
  3. Trojan Petroleum, Inc., 742008 (AR)
  4. Kratos Analytical, Inc., 606746 (OH)
  5. School Specialty, Inc., 765815 (OH)
  6. BMW of North America, 839703 (OH)
  7. BMW of North America, 839701 (OH)
  8. Gordon S. Barienbrock, 716688 (EA)
  9. Albertsons, LLC, 826608 (UT)
  10. Morgan Stanley Capital Group, Inc., 731675 (OH)
  11. Midway Rent A Car, 447254 (AS)
  12. Cellco Partnership, 743872 (OH)
  13. Taco Bell, 765475 (OH)
  14. Quest Diagnostics Incorporated, 608878 (OH)
  15. Quest Diagnostics Clinical Labs, 609315 (OH)

16. Reliant Financial Corporation, 804391 (EA)
17. Creative Design Consultants, LLC, 809305 (EA)
18. T-System, Inc., 785922 (OH)
19. DISH Purchasing Corporation, 717020 (OH)
20. Ricoh Produc. Print Solutions, LLC, 578749 (OH)
21. Symbility Solutions (USA), Inc., 636929 (OH)
22. Calisolar, Inc., 627171 (GH)
23. Mercedes-Benz Fncl Servs USA, LLC, 575854 (OH)
24. Laurent J. Katgely, 845399 (BH)

There are no items for the following matters:

G6. Special Taxes Matters

G7. Special Taxes Matters – Credits, Cancellations, and Refunds

G8. Property Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

- Petitions for Reassessment of Unitary Value
  1. Qwest Communications Company, LLC (2463), 836940 'CF'
  2. Indigo Generation, LLC (1141), 837311 'CF'
  3. Bicent (California) Malburg, LLC (1154), 837315 'CF'
  4. MetroPCS California, LLC (2733), 837528 'CF'
  5. Larkspur Energy, LLC (1142), 837542 'CF'
  6. CPV Sentinel, LLC (1160), 837573 'CF'
  7. NRG Marsh Landing, LLC (1157), 840267 'CF'
- Petitions for Penalty Abatement on Unitary Value
  8. Valley Electric Association, Inc. (160), 837309 'CF'
  9. Trona Railway Co. (882), 836909 'CF'
  10. Foresthill Telephone Co. (235), 836920 'CF'
  11. Audeamus (7824), 836928 'CF'
  12. NOS Communications, Inc. (2416), 824111 'CF'
  13. Kerman Telephone Co. (246), 836914 'CF'
- Petition for Reassessment and Penalty Abatement on Unitary Value
  14. Searles Valley Minerals Operations, Inc. (475), 836911 'CF'

There are no items for the following matters:

G9. Cigarette License Fee Matters

G10. Legal Appeals Property Tax Matters

**H. Tax Program Nonappearance Matters – Adjudicatory****H1. Legal Appeals Matters**

## ➤ Cases Heard Not Decided

1. ~~Elite Car' Auto Service & Tires, Inc., 550595 (EA)~~

2. Raymond Harry Simmons, 531521 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Petitions for Rehearing

3a. Mox, Inc., 569235 (STF)

3b. Mox, Inc., 570251 (STF)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition for rehearing denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**H2. Franchise and Income Tax Matters**

## ➤ Petitions for Rehearing

1. Richard N. Eisenberg and Anita Eisenberg, 610025

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition for rehearing denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

H3. Homeowner and Renter Property Tax Assistance Matters

H4. Sales and Use Taxes Matters

H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

H6. Special Taxes Matters

H7. Special Taxes Matters – Credits, Cancellations, and Refunds

H8. Property Tax Matters

H9. Cigarette License Fee Matters

## H10. Legal Appeals Property Tax Matters

## ➤ Petitions for Reassessment of Unitary Value

## 1. Verizon California, Inc. (201), 837518 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied as recommended by staff.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

## 2. La Paloma Generating Company, LLC (1112), 837006 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied as recommended by staff.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

## 3. Crown Castle NG West, Inc. (7982), 836972 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied as recommended by staff.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

## 4. Pacific Pipeline System, LLC (486), 836319 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied as recommended by staff.	Mr. Horton	Yes
	Ms. Steel	Not Participating
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating



## 5. Plains West Coast Terminals, LLC (488), 836320 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied as recommended by staff.	Mr. Horton	Yes
	Ms. Steel	Not Participating
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

**I. Tax Program Nonappearance Matters**

## I1. Property Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Not Participating
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

## ➤ Roll Changes

## 1. 2014 Board Roll of State-Assessed Property 'CF'

## I2. Offer in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 1a. Lutfi Hussein Abed
- 1b. Monterey Information Tech.
2. Crom, Inc.
3. Luis Gonzalo Diez-Canseco
4. Tram Anh Thi Duong
5. K & K Capital Investments, Inc.
6. Mohammad Khalid
7. George Khoury
8. Coco Rikka Kurelordpai
9. Robert Emmett Lynch
10. Robby Matar
11. Bruce Patrick McNall
- 12a. Edwin E. Toy
- 12b. Urban Gardens Unlimited, LLC
13. Ross Aldon Vexler
14. Christopher Lawrence White

- I3. Local Tax Reallocation Matters  
There are no items for this matter.

### Chief Counsel Matters

#### J. Rulemaking

##### J1. Regulation 6001, *General Provisions*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

#### Section 100 Changes

##### J2. Property Tax Rule 140.1, *Requirements for Managing General Partner of Limited Partnership for Welfare Exemption for Low-Income Housing Properties*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

- K. Business Taxes  
L. Property Taxes

#### M. Other Chief Counsel Matters

##### M1. Request for Authorization to file Amicus Curiae Brief

*Gunter Seibold v. County of Los Angeles Assessment Appeals Board et al.*,  
Los Angeles Superior Court No. SC107640, Court of Appeal, 2nd Appellate  
District No. B253701

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**Administrative Session****N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**N1. Retirement Resolutions**

- Julia Castaneda
- Stephen Coyle
- Frederick N. Dueñas
- June Fukuhara
- Peter Murphy
- Romulo S. Nogra
- Lilian M. Sibal
- Edgar Valera
- Ronnie Yang

**N2. Approval of the 2015 Timberland Production Zone Values****N3. Approval of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*****N4. Proposed Revision to Compliance Policy and Procedures Manual Chapter 5, *Returns*, Sections 510.032 – 520.000****N5. Proposed Revision to Compliance Policy and Procedures Manual Chapter 5, *Returns*, Sections 535.055 – 535.100****N6. Adoption of Property Tax Forms**

- BOE-267-L, *Welfare Exemption Supplemental Affidavit, Housing – Lower-Income Households*
- BOE-267-L1, *Welfare Exemption Supplemental Affidavit, Low-Income Housing Property of Limited Partnership*

**O. Adoption of Board Committee Report and Approval of Committee Actions****O1. Business Taxes Committee**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board deferred the matter to Decamber 2014 in Sacramento.	Mr. Horton	
	Ms. Steel	
	Mr. Runner	
	Ms. Yee	
	Mr. Chiang/ Ms. Mandel	

**P. Other Administrative Matters**

P1. Executive Director's Report

1. CROS Project Update and Actions

There are no items for the following matters:

P2. Chief Counsel Report

P3. Sales and Use Tax Deputy Director's Report

P4. Property and Special Taxes Deputy Director's Report

1. Effects of Proposition 10 on Cigarette &amp; Tobacco Products Consumption

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

P5. Administration Deputy Director's Report

P6. Technology Deputy Director's Report

P7. External Affairs Deputy Director's Report

**Q. Closed Session**